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SUBJECT: SIX OF NINE GOVERNORS "BREAK TIES" WITH GOB

Summary

¶1. (SBU) On November 17, the GOB announced a new plan, comprised of a law and supreme decree, which would permit the Bolivian congress to supervise and censure department prefects (governors). The GOB argues the plan is meant to provide assurances to the public that local authorities spend funds appropriately. In response, on November 18, six of Bolivia's nine governors signed an agreement "breaking relations" with the GOB, shattering the illusion that the GOB and governors were working together. The GOB's plan appears to be a not very subtle attempt to control governors who do not follow the Movement Towards Socialism (MAS) line. While Morales has not yet reacted to the prefects' declaration, this impasse sets a new low point in relations between the central and regional governments. End Summary.

GOB Supervision

¶2. (SBU) The GOB announced on November 17 a new plan, comprised of a law and supreme decree, which would permit the Bolivian congress to supervise and censure department prefects (governors). Under the plan, either congressional chamber could take up its supervisory authority when it received a complaint from a departmental council. (Note: Morales' MAS controls the lower house. End Note). The GOB argues the plan is meant to provide assurances to the public that local authorities spend funds appropriately. In defending the plan, President Morales stated, "If there is transparency in the management of the people's money, . . . none of the national authorities should be afraid of the people and its institutions." The GOB will present its plan to congress on November 21. The MAS has encouraged allied social sector groups to march in favor of its plan.

Governors' Response

¶3. (SBU) In response, on November 18, after meeting for several hours in Trinidad, the capital of Beni Department, six of Bolivia's nine governors signed an agreement "breaking

relations" with the GOB. The six governors (none of which are MAS) represent the departments of Santa Cruz, Tarija, Pando, Beni, Cochabamba and La Paz. Oruro's governor, a member of the MAS, attended the weekend meeting but did not sign the agreement. Included in the agreement was the statement, "We are breaking relations with the executive. We will not agree to any meetings called by the president which attempt to change the governing structure, undermine the law and destabilize elected authorities." Cochabamba Governor Manfred Reyes Villa bluntly called the plan, "an attack against democracy, a coup d'etat against the prefects (governors)." The six governors also stated they will no longer work with Fabian Yaksi, the vice-minister of decentralization, who is seen as the force behind the GOB's plan. Civic groups from the six departments are planning to meet November 23 to discuss their strategy regarding the GOB's plan as well as their response to recent developments in the Constituent Assembly (septel).

A Shift in the Relationship

14. (SBU) The prefects' declaration shatters the impression President Morales has sought to cultivate that he and the prefects had been working together. The concept of decentralization is very new in Bolivian politics, as governors were first directly elected in December 2005. Decentralization remains a very contentious issue. The MAS opposes greater autonomy, while opposition parties and the eastern departments favor further decentralization. In July, the four eastern "media luna" departments of Beni, Pando, Santa Cruz and Tarija, which constitute the heart of MAS opposition, voted for greater autonomy. The five western departments voted against it. Prior to November 17, Morales gave the impression he would respect the July referendum results and was regularly meeting with the prefects on a range of issues.

Comment

15. (SBU) The GOB's plan appears to be a not very subtle attempt to control governors who do not follow the MAS line. The relationship between the central government and the departments is complicated. Given that the central government controls the police and provides the majority of funding to departmental budgets, and that the "media luna" controls the country's resources (including natural gas), both sides have an interest in working together. While Morales has not yet reacted to the prefects' declaration, this impasse sets a new low point in relations between the central and regional governments. End Comment.
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